



Request for Proposals

Feasibility Study: Conditions, Criteria, and Best Practices to Assess Rental-to-Ownership Conversions

Published November 3, 2021

Proposals are due by 5:00 PM on December 10, 2021

About the Office of Housing

The Office of Housing (OH) makes investments, develops, and implements policy, and delivers programs that build equitable communities, advance community wellness, and increase opportunities for all people in Seattle – especially those furthest from housing security and justice – to have a safe, stable, and healthy affordable home.

Background

Racist and discriminatory policies and investment patterns in the housing market have actively harmed Black, Indigenous, and People of Color (BIPOC) communities, which face higher barriers to housing access and have experienced disproportionate rates of housing cost burden, evictions, and foreclosure as compared to White households. Over the past four decades, rates of Black homeownership have declined precipitously in the nation as a whole and in Seattle especially. These losses and barriers to access have been and remain devastating to individual families well being given impacts that include displacement from historically and culturally desirable neighborhoods, damage to the community fabric, and lost opportunities to build wealth across generations.

Up to \$250,000 is available for this grant opportunity thanks to City Council's adoption of the Equitable Communities Initiative Task Force recommendations, which allocated approximately \$6 million to the Office of Housing. The Equitable Communities Initiative Task Force is a diverse group of people of color and community leaders representing a cross-section of industries, including environmental justice, who came together to spearhead the process of developing recommendations for a \$30 million investment into our Black, Indigenous, and People of Color communities.

The Task Force identified investment opportunities intended to reverse racial inequities, spanning four categories: education, business, health, and housing. The housing recommendations included exploration of a lease-to-own model, the development of permanently affordable for-sale housing, and homeownership stabilization supports.

Study Goals

This RFP is intended to find a consultant to:

1. Identify necessary conditions for a conversion of affordable rental to permanently affordable homeownership units as well as evaluative criteria to indicate or increase the feasibility of a tenure conversion;
2. Apply the resulting conditions and evaluative process to a sample of OH-regulated rental properties; and
3. Recommend best practices for engaging and empowering tenants throughout the evaluation and possible conversion process.

All recommendations should address racial equity impacts and elevate actions that advance racial equity.

Scope of Work

1. Framing: Up to \$50,000 of the funding identified for this consultant contract may be dedicated to further scoping out the range of the study. This scoping work will help identify or clarify specific work items associated with the major steps and deliverables shown below.

Deliverable: Detailed scope of work subject to OH staff review and concurrence.

2. Conditions for Tenure Conversion: The Consultant will research and identify necessary conditions for converting an affordable rental property to permanently affordable for-sale housing as well as associated criteria to indicate and potentially improve feasibility. The work should identify questions that can inform an options analysis. Sample considerations should include:
 - Building condition and capital needs,
 - Ability to ensure permanent affordability through stewardship, including the interest and capacity of a non-profit stewardship entity
 - The building's financial position and regulatory context
 - Characteristics of the current and projected real estate market
 - Potential impacts on racial equity, including redressing the disproportionate housing cost and access burdens faced by BIPOC renters and homeowners
 - In conjunction with Task 4 (see below), tenant characteristics, including interest and readiness to assume ownership of the property.

Additional considerations could include existing zoning and development capacity, seismic status (e.g., unreinforced masonry), energy efficiency and carbon reduction potential, and remaining life of all building systems and components.

Findings should be sufficiently detailed to help funders, affordable housing owners and providers, tenants, and stewardship organizations, better understand how to assess opportunities for ownership conversion.

Deliverable: Written report outlining recommended evaluative conditions, criteria, and method for applying these criteria to a real-world property.

3. Applied Criteria: The Consultant will apply the evaluative process developed under Task 2 to a sample (likely three to five buildings) of income- and rent-restricted properties. Sample properties will be jointly selected by the Consultant and OH staff and will be limited to buildings in the OH financial portfolio to offer the Consultant ready access to information on the existing tenant base, the property's financial position, its regulatory status, and certain information on building and site conditions. The evaluation should suggest whether each sample property could be repositioned via rehabilitation of the existing property to support a conversion from a for-rent to for-sale structure, demolished, and rebuilt for permanently affordable homeownership purposes, or rehabilitation for continued use as affordable rental housing.

Deliverable: Case study attachments to the report produced under Task 2.

4. Best Practices for Tenant Engagement and Empowerment: The Consultant shall identify and report on best practices for (i) engaging with tenants when an opportunity for a potential tenure conversion arises, and (ii) empowering tenants, both collectively and as individual households, to effectively participate in discussions and decisions around future actions.

Deliverable: Written best practices report.

5. Presentation and Discussion: Following delivery of all written materials, the Consultant will conduct a roundtable with OH leadership and select staff members to discuss the results of the study, answer questions, and participate in an open conversation about next steps.

Funds Available

Up to \$250,000 is available for this work.

Proposal Components

- Cover letter, including an explanation of why this work is of interest to Consultant and why Consultant is well-positioned to carry out the project
- Proposed approach, including a step-by-step work plan that identifies specific study questions to be addressed and anticipated topics to be covered under each task appearing in the work plan.
- Proposed schedule and budget-by-task
- Team and individual qualifications, including resumes and relevant project experience for all proposed staff.

Selection Criteria and Process

Proposals will be evaluated on the following criteria.

Contextual expertise: Proposal demonstrates a clear understanding of the affordable rental and for-sale ecosystem, understanding of and expertise surrounding the unique elements of permanently affordable/resale restricted homeownership, Seattle's housing market, and the historic context surrounding BIPOC access to homeownership.

Technical expertise: The consultant team possesses technical skills in real estate analysis, including quantitative and qualitative methods for comparative study of building capital needs and redevelopment alternatives, as well as relevant project experience. Specific project citations, with indications of their relevance to this project, will strengthen a proposal's competitiveness.

Responsiveness and creativity: The Consultant's proposed approach aligns well with the RFP's overall objectives and the work plan fully matches to the requested scope of work. Proposals that demonstrate creativity in how to carry out the tasks will be especially competitive.

Community insights: The proposal demonstrates strong sensitivity to the human dimensions of repositioning a property and the consultant team has a demonstrated understanding of methods to achieve productive tenant and other stakeholder engagement, especially in the context of community-based work that will produce racially equitable outcomes.

Organizational capacity and experience: The proposed team has relevant experience and is available to carry out the work in a timely fashion.

Cost: The cost proposal aligns with the proposed work plan.

Proposal Submission

Proposals are due by 5:00 PM on December 10, 2021.

Proposals should be submitted electronically to Kelli.Larsen@seattle.gov.

Review and Selection Process

The Office of Housing may follow up with some or all respondents to conduct interviews or seek additional information. The Office of Housing retains the right to negotiate with respondent(s) on the final program design and implementation plan. The Director of Housing will make final funding decisions.

Disclaimers and Disclosure

This RFP is not a commitment or contract of any kind. The Office of Housing reserves the right to pursue any and all ideas generated by this request. Costs for developing proposals are entirely the responsibility of the respondent and shall not be reimbursed. The Office of Housing reserves the right to alter timelines, amend or retract the RFP, waive as informality any irregularities in

submittals, and/or reject any and all submissions. The Office of Housing reserves the right to waive any requirements of this RFP when it determines that waiving a requirement is in the best interests of OH.

All proposals and related materials become the property of the City upon delivery to OH. State law, codified at RCW Ch. 42.17, provides that public records are subject to public inspection and copying unless specifically exempted. RCW Ch 42.17 enumerates limited exemptions to a public agency's obligation to disclose public records. If the applicant believes that portions of its proposal are exempt from disclosure to third parties, the applicant must clearly label the specific portions sought to be kept confidential and specify an exemption that the applicant is relying on. However, an acceptance of a proposal containing such designations by OH is not an agreement that such material is legally confidential, and OH cannot guarantee that such information will not be disclosed.